



**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS  
AUDIT EXAMINATION OF THE  
MAGOFFIN COUNTY FISCAL COURT**

**Fiscal Year Ended June 30, 1999**

**EDWARD B. HATCHETT, JR.  
AUDITOR OF PUBLIC ACCOUNTS  
WWW.KYAUDITOR.NET**

**144 CAPITOL ANNEX  
FRANKFORT, KY 40601  
TELE. (502) 564-5841  
FAX (502) 564-2912**



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Edward B. Hatchett, Jr.  
Auditor of Public Accounts

To the People of Kentucky

Honorable Paul E. Patton, Governor

John P. McCarty, Secretary

Finance and Administration Cabinet

Mike Haydon, Secretary, Revenue Cabinet

Honorable Paul Salyer, Magoffin County Judge/Executive

Honorable Charles Hardin, Former Magoffin County Judge/Executive

Members of the Magoffin County Fiscal Court

Independent Auditor's Report

We have audited the accompanying statement of assets, liabilities, and fund balances arising from cash transactions of Magoffin County, Kentucky, as of June 30, 1999, and the related statement of cash receipts, cash disbursements, and changes in cash balances for the year then ended. These financial statements are the responsibility of the Magoffin County Fiscal Court. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards issued by the Comptroller General of the United States, and the Audit Guide for Fiscal Court Audits issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Magoffin County, Kentucky prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and laws of Kentucky. Consequently, certain revenues and the related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when a liability is incurred. The cash basis accounting system does not require an entity to maintain a general fixed asset group or a general long-term debt group of accounts. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund balances arising from cash transactions of Magoffin County, Kentucky, and the related statement of cash receipts, cash disbursements, and changes in cash balances as of and for the year ended June 30, 1999, in conformity with the cash basis of accounting described above.

To the People of Kentucky

Honorable Paul E. Patton, Governor

John P. McCarty, Secretary

Finance and Administration Cabinet

Mike Haydon, Secretary, Revenue Cabinet

Honorable Paul Salyer, Magoffin County Judge/Executive

Honorable Charles Hardin, Former Magoffin County Judge/Executive

Members of the Magoffin County Fiscal Court

Our audit was performed for the purpose of forming an opinion on the financial statements of Magoffin County, Kentucky, taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, and is not a required part of the financial statements. The information provided on the accompanying schedules is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the financial statements taken as a whole.

Based on the results of our audit, we present a schedule of findings and questioned costs, included herein, which discusses the following areas of noncompliance:

- The County Should Require The Depository Institution To Pledge Or Provide Sufficient Collateral And Enter Into A Written Agreement To Protect Deposits
- The Fiscal Court Should Pay All Bills In A Timely Manner
- The County Treasurer Should Publish An Annual Settlement And Present It To Fiscal Court In A Timely Manner
- The Fiscal Court Should Collect Amount Due The County As Determined By Audit

In accordance with Government Auditing Standards, we have also issued our report dated March 8, 2000 on our consideration of Magoffin County, Kentucky's compliance with certain provisions of laws, regulations, contracts, and grants, and internal control over financial reporting.

Respectfully submitted,



Edward B. Hatchett, Jr.

Auditor of Public Accounts

Audit fieldwork completed -  
March 8, 2000

MAGOFFIN COUNTY OFFICIALS

Fiscal Year Ended June 30, 1999

Paul Salyer	County Judge/Executive
Don McFarland	County Attorney
H.B. Arnett	County Clerk
Roger Gullett	Circuit Court Clerk
Pat Montgomery	Sheriff
Gene Helton	Jailer
Sally Patrick	Property Valuation Administrator
Kila Keeton	County Treasurer
Johnnie Lovely	Coroner
Terry Hensley	Magistrate
Burnell G. Lemaster	Magistrate
Kellie Lee Miller	Magistrate





STATEMENT OF ASSETS, LIABILITIES,  
AND FUND BALANCES ARISING FROM CASH TRANSACTIONS



MAGOFFIN COUNTY  
STATEMENT OF ASSETS, LIABILITIES,  
AND FUND BALANCES ARISING FROM CASH TRANSACTIONS

June 30, 1999

Assets and Other Resources

Assets

General Fund:	
Cash	\$ 223,642
Road and Bridge Fund:	
Cash	69,664
Jail Fund:	
Cash	8,408
Local Government Economic Assistance Fund:	
Cash	43,327
Sanitation Fund:	
Cash	11,025
911 Fund:	
Cash	56,961
Forestry Fund:	
Cash	6,279
Local Flood Protection Fund:	
Cash	15
Community Center Sinking Fund:	
Cash	5,785
Voted Courthouse Bond Sinking Fund:	
Monies in Hands of-	
State Local Finance Officer	1,553
Paying Agent	18,035
Salversville National Bank Renovation Project Fund:	
Cash	42,028
Appalachian Regional Commission Solid Waste Project Fund:	
Cash	15,761
Payroll Account - Cash	23,387

Other Resources

Jail Fund:	
Amounts to be Provided in Future Years for Jail Capital	
Lease Obligations - Bond Principal Payments	224,690
Sanitation Fund:	
Amounts to be Provided in Future Years for	
Kentucky Infrastructure Authority Loan Principal (Note 8)	218,250
Community Center Sinking Fund:	
Amounts to be Provided in Future Years for	
Lease Obligations - Bond Principal Payments	131,000
Total Assets and Other Resources	<u>\$ 1,099,810</u>

The accompanying notes are an integral part of the financial statements.

MAGOFFIN COUNTY  
 STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES  
 ARISING FROM CASH TRANSACTIONS  
 June 30, 1999  
 (Continued)

Liabilities and Fund Balances

Liabilities

General Fund:	
Unpaid Liability (Note 6)	\$ 115,127
Road Fund:	
Unpaid Liability (Note 6)	105,701
Jail Fund:	
Unpaid Liability (Note 6)	674
Unpaid Liability Due Big Sandy Regional Detention Center ( Note 6)	49,412
Capital Lease Obligation - Bond Principal Payments (Note 5)	224,690
Local Government Economic Development Fund:	
Unpaid Liability (Note 6)	2,007
Sanitation Fund:	
Unpaid Liability (Note 6)	46,055
Kentucky Infrastructure Authority Loan (Note 8)	218,250
911 Fund:	
Unpaid Liability (Note 6)	1,943
Community Center Sinking Fund:	
Capital Lease Obligation - Bond Principal Payments (Note 5)	131,000
Voted Courthouse Bond Sinking Fund:	
Bonds Matured and Unpresented	15,000
Interest Matured and Unpresented	3,035

Fund Balances

Reserved:	
Sanitation Fund	(35,030)
911 Fund	55,018
Forestry Fund	6,279
Local Flood Protection Fund	15
Community Center Sinking Fund	5,785
Voted Courthouse Bond Sinking Fund	1,553
Salyersville National Bank Renovation Project Fund	42,028
Appalachian Regional Commission Solid Waste Project Fund	15,761
Payroll Account	23,387
Unreserved:	
General Fund	108,515
Road Fund	(36,037)
Jail Fund	(41,678)
Local Government Economic Assistance Fund	41,320
Total Liabilities and Fund Balances	<u>\$ 1,099,810</u>

STATEMENT OF CASH RECEIPTS,  
CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES

MAGOFFIN COUNTY  
STATEMENT OF CASH RECEIPTS,  
CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES

Fiscal Year Ended June 30, 1999

<u>Cash Receipts</u>	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
Schedule of Operating Revenue	\$ 3,061,553	\$ 606,515	\$ 1,017,008	\$ 56,775
Transfers In	630,524	227,639		185,500
Borrowed Money	360,289			
Total Cash Receipts	<u>\$ 4,052,366</u>	<u>\$ 834,154</u>	<u>\$ 1,017,008</u>	<u>\$ 242,275</u>
<u>Cash Disbursements</u>				
Comparative Schedule of Final Budget and Budgeted Expenditures	\$ 3,811,745	\$ 602,674	\$ 1,429,540	\$ 220,275
Transfers Out	630,524	387,885	101,223	
Bonds:				
Principal Paid	22,934			22,934
Borrowed Money:				
Principal Paid	123,756			
Farmers Home Administration Loan-				
Principal Paid	2,300			
Total Cash Disbursements	<u>\$ 4,591,259</u>	<u>\$ 990,559</u>	<u>\$ 1,530,763</u>	<u>\$ 243,209</u>
Excess (Deficiency) of Cash Receipts Over (Under) Cash Disbursements	<u>\$ (538,893)</u>	<u>\$ (156,405)</u>	<u>\$ (513,755)</u>	<u>\$ (934)</u>
Cash Balance - July 1, 1998	<u>1,041,376</u>	<u>380,047</u>	<u>583,419</u>	<u>9,342</u>
Cash Balance - June 30, 1999	<u>\$ 502,483</u>	<u>\$ 223,642</u>	<u>\$ 69,664</u>	<u>\$ 8,408</u>

The accompanying notes are an integral part of the financial statements.

MAGOFFIN COUNTY  
 STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
 CHANGES IN CASH BALANCES  
 Fiscal Year Ended June 30, 1999  
 (Continued)

Local Government Economic Assistance Fund	Sanitation Fund	911 Fund	Forestry Fund	Local Flood Protection Fund	Community Center Sinking Fund
\$ 270,823 6,000	\$ 457,976 70,500 218,250	\$ 170,575	\$ 2,636	\$	\$ 6,800 4,800
\$ 276,823	\$ 746,726	\$ 170,575	\$ 2,636	\$ 0	\$ 11,600
\$ 256,598 15,000	\$ 728,582	\$ 121,325	\$ 3,140	\$	\$ 6,916
					2,300
\$ 271,598	\$ 728,582	\$ 121,325	\$ 3,140	\$ 0	\$ 9,216
\$ 5,225 38,102	\$ 18,144 (7,119)	\$ 49,250 7,711	\$ (504) 6,783	\$ 0 15	\$ 2,384 3,401
\$ 43,327	\$ 11,025	\$ 56,961	\$ 6,279	\$ 15	\$ 5,785

MAGOFFIN COUNTY  
 STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
 CHANGES IN CASH BALANCES  
 Fiscal Year Ended June 30, 1999  
 (Continued)

	Voted Courthouse Bond Sinking Fund	Salyersville National Bank Renovation Project Fund	Appalachian Regional Commission Solid Waste Project Fund	Solid Waste Escrow for Royalties Fund
<u>Cash Receipts</u>				
Schedule of Operating Revenue	\$	\$ 218,045	\$ 252,984	\$ 1,416
Transfers In		11,085		125,000
Borrowed Money		142,039		
Total Cash Receipts	\$ 0	\$ 371,169	\$ 252,984	\$ 126,416
<u>Cash Disbursements</u>				
Comparative Schedule of Final Budget and Budgeted Expenditures	\$	\$ 205,386	\$ 237,309	\$
Transfers Out				126,416
Bonds:				
Principal Paid				
Borrowed Money:				
Principal Paid		123,756		
Farmers Home Administration Loan-				
Principal Paid				
Total Cash Disbursements	\$ 0	\$ 329,142	\$ 237,309	\$ 126,416
Excess (Deficiency) of Cash Receipts Over (Under) Cash Disbursements	\$ 0	\$ 42,027	\$ 15,675	\$ 0
Cash Balance - July 1, 1998	19,588	1	86	
Cash Balance - June 30, 1999	\$ 19,588	\$ 42,028	\$ 15,761	\$ 0



MAGOFFIN COUNTY  
NOTES TO FINANCIAL STATEMENTS

June 30, 1999

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The financial statements of Magoffin County include the funds, agencies, boards, and entities for which the fiscal court is financially accountable. Financial accountability, as defined by Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, as amended by GASB 14, was determined on the basis of the government's ability to significantly influence operations, select the governing authority, participate in fiscal management and the scope of public service. Based upon the application of the criteria stated in GASB 14, there are no component units which merit consideration as part of the reporting entity.

B. Fund Accounting

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. The government uses funds to report on its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts.

C. Basis of Accounting

The financial statements were prepared on a cash basis of accounting pursuant to Kentucky Revised Statute (KRS) 68.210 as recommended by the State Local Finance Officer. Consequently, certain revenues and related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when a liability is incurred. The cash basis accounting system does not require an entity to maintain a general fixed asset group or a general long-term debt group of accounts.

D. Legal Compliance - Budget

The Magoffin County budget is adopted on a cash basis of accounting and laws of Kentucky as required by the State Local Finance Officer. The County Judge/Executive is required to submit estimated receipts and proposed expenditures to the fiscal court by May 1 of each year. The budget is prepared by fund, function, and activity and is required to be adopted by the fiscal court by July 1.

The fiscal court may change the original budget by transferring appropriations at the activity level; however, the fiscal court may not increase the total budget without approval by the State Local Finance Officer. Expenditures may not exceed budgeted appropriations at the activity level.

E. Cash and Investments

Cash includes amounts in bank accounts, and investments are stated at cost. Investments may include certificates of deposit on the financial statements; however, for the purpose of disclosing credit risk (Note 3), investments exclude certificates of deposit.

MAGOFFIN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 1999  
(Continued)

Note 1. (Continued)

E. Cash and Investments (Continued)

KRS 66.480 authorizes the county to invest in the following, including but not limited to, obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United States government, bonds or certificates of indebtedness of this state, and certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation (FDIC) or which are collateralized, to the extent uninsured, by any obligation permitted by KRS 41.240(4).

Note 2. Employee Retirement System

The county has elected to participate in a qualified deferred compensation plan administered under 401(k) of the Internal Revenue Code. Employees may contribute an amount up to \$7,500 per year to the plan. The county's contribution rate for employees was 3.25 percent.

Benefits fully vest on reaching two years of service for employees. Aspects of benefits for employees include retirement after 27 years of service or age 65.

Note 3. Deposits

A. Deposits

The county maintained deposits of public funds with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC). According to KRS 66.480(1)(d) and KRS 41.240(4), the depository institution should pledge or provide sufficient collateral which, together with FDIC insurance, equals or exceeds the amount of public funds on deposit at all times. In order to be valid against the FDIC in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement between the county and the depository institution, signed by both parties, that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution. As of June 30, 1999, the bank balances were fully insured or collateralized at a 100% level with collateral of either pledged securities held by the county's agent in the county's name, or provided surety bond(s) which named the county as beneficiary/obligee on the bond(s). However, as of July 30, 1998, the collateral and FDIC insurance together did not equal or exceed the amount on deposit, leaving \$421,925 of public funds uninsured and unsecured. In addition, the county did not have a written agreement with the depository institution securing the county's interest in the collateral.

MAGOFFIN COUNTY  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 1999  
 (Continued)

Note 3. Deposits (Continued)

The county's deposits are categorized below to give an indication of the level of risk assumed by the county as of July 30, 1998.

	<u>Bank Balance</u>
Collateralized with securities held by pledging depository institution in the county's name	\$ 595,000
Uncollateralized and uninsured	<u>421,925</u>
Total	<u><u>\$ 1,016,925</u></u>

Note 4. Receivable

The county operates a garbage collection service for the benefit of its citizens. The garbage collection service receipts and disbursements are appropriated through the county's Sanitation Fund. As of June 30, 1999, the county had an accumulated accounts receivable balance of \$658,291 due the Sanitation Fund. This results from unpaid garbage bills. As of January 1, 1999, the current administration had released their customers from this liability as long as they kept their account out of delinquent status. The notice states: the customer hereby agrees to keep all bills, current and future, paid in full in exchange for the writing off of a previous balance. Failure to comply with the above mentioned agreement will result in the additional of the previous balance to the current balance to the current balance and the account will be turned over to the County Attorney for collection. However, not all customers agreed to this arrangement and still have delinquent accounts. As of February 25, 2000, the County Attorney's staff notified the auditors that they were mailing out collection letters concerning the Accounts Receivables due the Sanitation Fund.

MAGOFFIN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 1999  
(Continued)

Note 5. Long-Term Debt

A. Capital lease agreement outstanding of the Jail Fund:

In January 1988, the fiscal court entered into a Local Correctional Facilities Construction Authority lease agreement jointly with Johnson County in the amount of \$1,062,245. The lease consists of a loan in the amount of \$815,245 at 6.341 percent interest and a loan in the amount of \$247,000 at 5.0 percent interest for correctional facilities. Magoffin County's portion is 27.15 percent of the total. Magoffin County will pay 54 semi-annual installments of varying amounts in accordance with a schedule to complete the contract. Principal lease payment requirements and scheduled interest for the remaining term of the contract are presented below.

<u>Due Date</u>	<u>Scheduled Interest</u>	<u>Scheduled Principal</u>
June 30, 2000	\$ 14,594	\$ 8,323
June 30, 2001	14,027	8,872
June 30, 2002	13,422	8,458
June 30, 2003	12,776	10,082
June 30, 2004	12,088	10,747
June 30, 2005-2015	<u>72,032</u>	<u>177,208</u>
Total Lease Principal	<u>\$ 138,939</u>	<u>\$ 223,690</u>

B. Loan outstanding of the Community Center Sinking Fund:

In June 1997, the fiscal court entered into a loan agreement with the Farmers Home Administration to borrow \$140,000 at 5.0 percent interest for the completion of the Magoffin Center Project. The county will pay semi annual installments of varying amounts due on July 1 and January 1 of each year in accordance with a schedule to complete the contract. Principal payment requirements and scheduled interest for the remaining term of the contract are presented below.

<u>Due Date</u>	<u>Scheduled Interest</u>	<u>Scheduled Principal</u>
June 30, 2000	\$ 6,550	\$ 2,600
June 30, 2001	6,420	2,700
June 30, 2002	6,285	2,800
June 30, 2003	6,145	3,000
June 30, 2004	5,995	3,100
June 30, 2005-2015	<u>74,435</u>	<u>116,800</u>
Total Principal	<u>\$ 105,830</u>	<u>\$ 131,000</u>

MAGOFFIN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 1999  
(Continued)

Note 6. The Fiscal Court Should Pay All Bills In A Timely Manner

The fiscal court should pay for purchases within 30 days as required by KRS 65.140 (2), which states unless the purchaser and vendor otherwise contract, all bills for goods or services shall be paid within thirty (30) working days of receipt of a vendor's invoice. The exceptions are when payment is delayed because the purchaser has made a written disapproval of improper performance, or improper invoicing by the vendor, or by the vendor's subcontractor.

For the fiscal year ended June 30, 1999, the fiscal court was a member of the Kentucky Association of Counties' All Lines Insurance Fund (KALF). KALF is a self-insurance fund and was organized to obtain lower cost coverage for general liability, property damage, public officials' errors and omissions, workers compensation, public liability, and other damages. For this fiscal year, the fiscal court did not pay their entire premium and owes a balance of \$271,507. This balance represents an unpaid liability from each fund in the following amounts: General Fund - \$115,127, Road and Bridge Fund - \$105,701, Jail Fund - \$674, Local Government Economic Development Fund - \$2,007, Sanitation Fund - \$46,055, and 911 Fund - \$1,943. In addition, as of June 30, 1999, the Jail Fund owed \$49,412 to the Big Sandy Regional Detention Center for housing prisoners. We recommend that the fiscal court pay their bills in a more timely manner as required by the statute.

Note 7. Lawsuit

Eastern Kentucky Resources, et. al. has filed suit against Magoffin County Fiscal Court in the Magoffin County Circuit Court. The plaintiff is seeking return of \$125,000 plus interest from Magoffin County Fiscal Court for advanced royalties paid by the plaintiff to the fiscal court for construction of a landfill. This landfill was never constructed, so the plaintiff is seeking return of the advancement. If the plaintiff is successful in this suit, Magoffin County Fiscal Court could be required to pay \$125,000 plus interest to the plaintiff. This case is still pending and its outcome is uncertain.

Note 8. Kentucky Infrastructure Authority Loan

The county entered into a loan agreement with Kentucky Infrastructure Authority, the purpose of which was to match funds required for the Appalachian Regional Commission grant received for the purpose of landfill construction. The total amount approved was \$300,000, of which \$218,250 was received and disbursed during fiscal year 1999. This loan had an interest rate of 3.8 percent and repayment will begin after all funds have been drawn down. An amortization schedule was be prepared at that time and they will be required to pay accordingly.

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COMPARATIVE SCHEDULE OF  
BUDGETED TO ACTUAL OPERATING REVENUE





MAGOFFIN COUNTY  
COMPARATIVE SCHEDULE OF  
BUDGETED TO ACTUAL OPERATING REVENUE

Fiscal Year Ended June 30, 1999

<u>Budgeted Funds</u>	<u>Budgeted Operating Revenue</u>	<u>Actual Operating Revenue</u>	<u>Over (Under) Budget</u>
General Fund	\$ 445,413	\$ 606,515	\$ 161,102
Road and Bridge Fund	912,520	1,017,008	104,488
Jail Fund	255,163	56,775	(198,388)
Local Government Economic Assistance Fund	248,341	270,823	22,482
Sanitation Fund	791,927	457,976	(333,951)
911 Fund	169,124	170,575	1,451
Forestry Fund	3,140	2,636	(504)
Community Center Sinking Fund	9,600	6,800	(2,800)
Salyersville National Bank Renovation Project Fund	592,182	218,045	(374,137)
Appalachian Regional Commission Solid Waste Project Fund	252,740	252,984	244
Solid Waste Escrow for Royalties Fund		1,416	1,416
Walkbridge Project Fund	50,000		(50,000)
Totals	<u>\$ 3,730,150</u>	<u>\$ 3,061,553</u>	<u>\$ (668,597)</u>

Reconciliation

Total Budgeted Operating Revenue Above	\$ 3,730,150
Add: Budgeted Prior Year Surplus	1,043,620
Less: Other Financing Uses	<u>(25,235)</u>
Total Operating Budget Per Comparative Schedule Of Final Budget and Budgeted Expenditures	<u>\$ 4,748,535</u>

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SCHEDULE OF OPERATING REVENUE

**MAGOFFIN COUNTY**  
**SCHEDULE OF OPERATING REVENUE**

Fiscal Year Ended June 30, 1999

	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
Revenue From Local Taxes <u>and Excess Fees</u>				
Sheriff:				
Taxes	\$ 271,172	\$ 268,536	\$	\$
Advertising Costs	1,899	1,899		
Franchise Taxes	79,395	79,395		
Unmined Mineral	19,529	19,529		
Omitted Taxes	3,212	3,212		
County Clerk:				
Deed Transfer Tax	5,890	5,890		
Delinquent Taxes	13,262	13,262		
Excess Fees - 1998	19,052	19,052		
Tangible Personal Property Taxes:				
Other Counties	6,059	6,059		
County Clerk	112,491	112,491		
Totals	<u>\$ 531,961</u>	<u>\$ 529,325</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Federal Receipts - State Treasurer</u>				
Community Development Block				
Grants - 911 Project	\$ 94,063	\$	\$	\$
Interstate Transportation	218,045			
Enhancement Authority Grant				
Appalachian Regional Commission				
Grants - Solid Waste Project	252,739			
Federal Disaster and Emergency				
Services/Emergency Management				
Agency Reimbursement	78,575		78,575	
Totals	<u>\$ 643,422</u>	<u>\$ 0</u>	<u>\$ 78,575</u>	<u>\$ 0</u>

MAGOFFIN COUNTY  
SCHEDULE OF OPERATING REVENUE  
Fiscal Year Ended June 30, 1999  
(Continued)

Local Government Economic Assistance Fund	Sanitation Fund	911 Fund	Forestry Fund	Community Center Sinking Fund	Salyersville National Bank Renovation Project Fund
\$	\$	\$	\$ 2,636	\$	\$
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,636</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$	\$	\$ 94,063	\$	\$	\$ 218,045
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 94,063</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 218,045</u>

MAGOFFIN COUNTY  
 SCHEDULE OF OPERATING REVENUE  
 Fiscal Year Ended June 30, 1999  
 (Continued)

	Appalachian Regional Commission Solid Waste Project Fund	Solid Waste Escrow for Royalties Fund
Revenue From Local Taxes <u>and Excess Fees</u>		
Sheriff:		
Taxes	\$	\$
Advertising Costs		
Franchise Taxes		
Unmined Mineral		
Omitted Taxes		
County Clerk:		
Deed Transfer Tax		
Delinquent Taxes		
Excess Fees - 1998		
Tangible Personal Property Taxes:		
Other Counties		
County Clerk		
Totals	\$ 0	\$ 0
<u>Federal Receipts - State Treasurer</u>		
Community Development Block		
Grants - 911 Project	\$	\$
Interstate Transportation		
Enhancement Authority Grant		
Appalachian Regional Commission		
Grants - Solid Waste Project	252,739	
Federal Disaster and Emergency		
Services/Emergency Managemen		
Agency Reimbursement		
Totals	\$ 252,739	\$ 0

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MAGOFFIN COUNTY  
 SCHEDULE OF OPERATING REVENUE  
 Fiscal Year Ended June 30, 1999  
 (Continued)

	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
<u>Kentucky State Treasurer</u>				
Jail:				
Allotments	\$ 43,109	\$	\$	\$ 43,109
Medical Allotments	3,595			3,595
Court Costs, Jail Operation	2,940			2,940
Driving Under The Influence Fee	2,403			2,403
County Road Aid	752,559		752,559	
Truck License Distribution	161,449		161,449	
Election Expense Reimbursement	6,630	6,630		
Energy Recovery	1,204		1,204	
Strip Mine Permits	17,013	17,013		
Courthouse Rental - Administrative				
Office of the Courts	25,431	25,431		
Refunds:				
Legal Process Taxes	81	81		
Drivers Licenses	1,211		1,211	
Dog Licenses	31			
Severance Taxes:				
Coal	202,842			
Mineral	43,543			
Grants:				
Disaster and Emergency Services;				
Reimbursement	13,376			
Totals	\$ 1,277,417	\$ 49,155	\$ 916,423	\$ 52,047

Miscellaneous Revenue

Interest	\$ 16,355	\$ 4,953	\$ 8,111	\$ 203
911 Phone Commissions	74,030			
Recycling Revenues	2,510			
Garbage Collection	446,228			
Recreation	1,608			
Courthouse Rentals	11,307	2,057		
Vending Machine Commissions	1,259	786		
Licenses and Permits:				
Dog Licenses	75			
Insurance Reimbursements	3,575	3,575		



MAGOFFIN COUNTY  
SCHEDULE OF OPERATING REVENUE  
Fiscal Year Ended June 30, 1999  
(Continued)

Local Government Economic Assistance Fund	Sanitation Fund	911 Fund	Forestry Fund	Community Center Sinking Fund	Salyersville National Bank Renovation Project Fund
\$	\$	\$	\$	\$	\$
31					
202,842					
43,543					
13,376					
\$ 259,792	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
\$ 577	\$ 516	\$ 334	\$	\$	\$
		74,030			
	2,510				
	446,228				
1,608					
2,450				6,800	
473					
75					

MAGOFFIN COUNTY  
 SCHEDULE OF OPERATING REVENUE  
 Fiscal Year Ended June 30, 1999  
 (Continued)

	Appalachian Regional Commission Solid Waste Project Fund	Solid Waste Escrow for Royalties Fund
<u>Kentucky State Treasurer</u>		
Jail:		
Allotments	\$	\$
Medical Allotments		
Court Costs, Jail Operation		
Driving Under The Influence Fee		
County Road Aid		
Truck License Distribution		
Election Expense Reimbursement		
Energy Recovery		
Strip Mine Permits		
Courthouse Rental - Administrative		
Office of the Courts		
Refunds:		
Legal Process Taxes		
Drivers Licenses		
Dog Licenses		
Severance Taxes:		
Coal		
Mineral		
Grants:		
Disaster and Emergency Services		
Reimbursement		
Totals	\$ 0	\$ 0

Miscellaneous Revenue

Interest	\$ 245	\$ 1,416
911 Phone Commissions		
Recycling Revenues		
Garbage Collection		
Recreation		
Courthouse Rentals		
Vending Machine Commissions		
Licenses and Permits:		
Dog Licenses		
Insurance Reimbursements		

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MAGOFFIN COUNTY  
 SCHEDULE OF OPERATING REVENUE  
 Fiscal Year Ended June 30, 1999  
 (Continued)

	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
<u>Miscellaneous Revenue</u> (Continued)				
Telephone Commission	\$ 142	\$ 142	\$	\$
Reimbursements	6,757	3,671	205	
Retirement Cash Surrender	44,907	12,851	13,694	4,525
	<hr/>	<hr/>	<hr/>	<hr/>
Totals	\$ 608,753	\$ 28,035	\$ 22,010	\$ 4,728
	<hr/>	<hr/>	<hr/>	<hr/>
Total Operating Revenue	<u>\$ 3,061,553</u>	<u>\$ 606,515</u>	<u>\$ 1,017,008</u>	<u>\$ 56,775</u>

MAGOFFIN COUNTY  
 SCHEDULE OF OPERATING REVENUE  
 Fiscal Year Ended June 30, 1999  
 (Continued)

Local Government Economic Assistance Fund	Sanitation Fund	911 Fund	Forestry Fund	Community Center Sinking Fund	Salyersville National Bank Renovation Project Fund
\$	\$	\$	\$	\$	\$
618	2,263				
5,230	6,459	2,148			
\$ 11,031	\$ 457,976	\$ 76,512	\$ 0	\$ 6,800	\$ 0
\$ 270,823	\$ 457,976	\$ 170,575	\$ 2,636	\$ 6,800	\$ 218,045

MAGOFFIN COUNTY  
 SCHEDULE OF OPERATING REVENUE  
 Fiscal Year Ended June 30, 1999  
 (Continued)

	Appalachian Regional Commission Solid Waste Project Fund	Solid Waste Escrow for Royalties Fund
<hr/>		
<u>Miscellaneous Revenue</u> (Continued)		
Telephone Commission	\$	\$
Reimbursements		
Retirement Cash Surrender		
	<hr/>	<hr/>
Totals	\$ 245	\$ 1,416
	<hr/>	<hr/>
Total Operating Revenue	\$ 252,984	\$ 1,416
	<hr/>	<hr/>

COMPARATIVE SCHEDULE OF  
FINAL BUDGET AND BUDGETED EXPENDITURES





MAGOFFIN COUNTY  
COMPARATIVE SCHEDULE OF  
FINAL BUDGET AND BUDGETED EXPENDITURES

Fiscal Year Ended June 30, 1999

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND</u>			
<u>General Government</u>			
Office of County Judge/Executive:			
Salaries-			
County Judge/Executive	\$ 50,353	\$ 50,353	\$
Deputy County Judge/Executive	39,500	34,760	4,740
Secretaries	30,064	33,303	(3,239)
Office Materials and Supplies	8,500	7,890	610
Office Equipment	860	15,709	(14,849)
Postage	1,000	968	32
Training	2,000	494	1,506
Office of County Attorney:			
Salaries-			
County Attorney	23,634	23,634	
Secretaries	8,000	8,000	
Postage	100		100
Office of County Clerk:			
Tax Bill Preparation	1,700	1,229	471
Office of Sheriff:			
Postage	3,500	3,396	104
Maintenance and Repairs		614	(614)
Fiscal Court:			
Magistrates-			
Salaries	45,864	45,864	
Expense Allowance	298	297	1
Advertising	15,000	23,009	(8,009)
Legal Fees	2,231	2,231	
Licenses		18	(18)
Repairs on Vehicle	3,962	3,962	
Training	2,000		2,000
Fiscal Court Clerk Salary	6,972	8,134	(1,162)

MAGOFFIN COUNTY  
 COMPARATIVE SCHEDULE OF  
 FINAL BUDGET AND BUDGETED EXPENDITURES  
 Fiscal Year Ended June 30, 1999

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND</u> (Continued)			
<u>General Government</u> (Continued)			
Office of Property Valuation Administrator:			
Statutory Contribution	\$ 10,030	\$ 7,598	\$ 2,432
Office of Board of Assessment Appeals:			
Per Diem	800		800
Office of County Treasurer:			
Salaries-			
County Treasurer	18,834	18,834	
Office Materials and Supplies	2,500	2,074	426
New Office Equipment		1,650	(1,650)
County Law Library:			
Law Librarian Salary	600	600	
Office of Circuit Court Clerk:			
Secretaries Salaries	8,000	8,000	
Elections:			
Per Diem-			
Election Commissioners	10,320	15,990	(5,670)
Miscellaneous Expense	15,262	20,733	(5,471)
Courthouse:			
Janitor Salary	17,500	22,286	(4,786)
Utilities	35,000	31,184	3,816
Improvements or New Construction	37,335	23,271	14,064
Materials and Supplies	7,500	7,979	(479)
Vending Machine Supplies	500	559	(59)
Other County Properties:			
Jail-			
Maintenance	180	179	1

MAGOFFIN COUNTY  
 COMPARATIVE SCHEDULE OF  
 FINAL BUDGET AND BUDGETED EXPENDITURES  
 Fiscal Year Ended June 30, 1999

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND (Continued)</u>			
<u>Protection to Persons and Property</u>			
County Fire Department:			
Contributions	\$	\$ 500	\$ (500)
Ambulance Service:			
Contributions	2,500	2,500	
<u>General Health and Sanitation</u>			
Solid Waste Collection:			
Contracted Services	17,742	17,742	
<u>Social Services</u>			
Senior Citizens Program:			
Contribution	7,500	7,500	
Vehicle Repair	50	50	
Services to Children and Youth:			
Contribution	25,000	25,000	
Cemeteries and Memorials:			
Pauper Burials	15,500	15,500	
Other Social Service Programs:			
Cut-Through Project- Dedication	107	107	
<u>Administration</u>			
General Services:			
Auditing	15,448	25,699	(10,251)
Bank Charges	25	25	
Bonds	3,913	3,913	
Insurance	20,000	20,000	
Membership Dues	3,000	3,675	(675)
Prior Year Claims	1,479	1,479	

MAGOFFIN COUNTY  
COMPARATIVE SCHEDULE OF  
FINAL BUDGET AND BUDGETED EXPENDITURES  
Fiscal Year Ended June 30, 1999

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND (Continued)</u>			
<u>Administration (Continued)</u>			
General Services: (Continued)			
Retirement Surrender	\$ 11,223	\$ 11,222	\$ 1
Contingent Appropriations:			
Reserve for Transfers	246,459		246,459
Fringe Benefits:			
County Contributions-			
Social Security	25,533	29,668	(4,135)
Retirement	7,661	3,964	3,697
Health Insurance	1,700	2,584	(884)
Worker's Compensation	4,000	24	3,976
Unemployment Insurance	6,720	6,720	
Total General Fund	\$ 825,459	\$ 602,674	\$ 222,785

ROAD AND BRIDGE FUND

General Government

Office of Road Supervisor/Engineer:

Road Supervisor Salary	\$ 25,500	\$ 20,680	\$ 4,820
Medical Claims		47	(47)
Travel	500		500

Road Maintenance:

Road Labor Salaries	255,735	250,856	4,879
Asphalt	447,703	446,854	849
Crushed Stone and Gravel	174,999	101,287	73,712
Construction Supplies	36,629	35,572	1,057
Diesel Fuel	31,000	47,547	(16,547)
Drug Screening	500	250	250
Garage Supplies	2,000	2,772	(772)
Machinery and Equipment-			
Repairs	68,582	77,525	(8,943)
New Road Machinery	30,000	95,926	(65,926)

MAGOFFIN COUNTY  
 COMPARATIVE SCHEDULE OF  
 FINAL BUDGET AND BUDGETED EXPENDITURES  
 Fiscal Year Ended June 30, 1999

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>ROAD AND BRIDGE FUND (Continued)</u>			
<u>Roads (Continued)</u>			
Road Maintenance: (Continued)			
Pipe	\$ 20,000	\$ 4,537	\$ 15,463
License		45	(45)
Utilities	5,000	5,856	(856)
<u>Capital Projects</u>			
Bridges:			
Contracted Construction	100,000	92,300	7,700
Streets and Highways:			
Contracted Construction-	90,000	90,250	(250)
<u>Administration</u>			
General Services:			
Retirement Cash Surrender	15,778	13,695	2,083
Insurance	24,000	14,000	10,000
Prior Year Claims	9,021	9,021	
Payments to Other Government Agencies	52,238	52,238	
Fringe Benefits:			
County Contributions-			
Retirement	8,000	6,134	1,866
Social Security	19,818	20,773	(955)
Health Insurance	12,200	16,288	(4,088)
Worker's Compensation	46,736	12,087	34,649
Unemployment Insurance	20,000	13,000	7,000
Total Road and Bridge Fund	\$ 1,495,939	\$ 1,429,540	\$ 66,399

MAGOFFIN COUNTY  
 COMPARATIVE SCHEDULE OF  
 FINAL BUDGET AND BUDGETED EXPENDITURES  
 Fiscal Year Ended June 30, 1999

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>JAIL FUND</u>			
<u>Protection to Persons and Property</u>			
Office of Jailer:			
Personnel Services-			
Salaries-			
Jailer	\$ 29,808	\$ 29,808	\$
Jail Personnel	20,400	20,265	135
Bond	178	279	(101)
Operations-			
Equipment	1,000	208	792
Juvenile Housing	1,000	17,848	(16,848)
Office Supplies	300		300
Routine Medical	15,000	2,074	12,926
Staff Uniforms	500	327	173
Staff Training	500	64	436
Telephone		593	(593)
Transporting Prisoners to			
Other Counties	604	2,708	(2,104)
Vehicle Maintenance	2,000	1,920	80
Housing Prisoners - Other Counties	150,000	133,078	16,922
Miscellaneous Operating Expense	1,000	1,088	(88)
<u>Administration</u>			
General Services:			
Retirement Cash Surrender		4,525	(4,525)
Bank Charges		753	(753)
Membership Dues	50		50
Contingent Appropriations:			
Reserve for Budget Transfers	10,764		10,764
Fringe Benefits:			
County Contributions-			
Retirement	1,567	907	660
Social Security	3,688	3,830	(142)
Worker's Compensation	3,211		3,211
Total Operating Budget	\$ 241,570	\$ 220,275	\$ 21,295

MAGOFFIN COUNTY  
 COMPARATIVE SCHEDULE OF  
 FINAL BUDGET AND BUDGETED EXPENDITURES  
 Fiscal Year Ended June 30, 1999

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>JAIL FUND</u>			
Other Financing Uses:			
Bonds:			
Principal	\$ 22,935	\$ 22,934	\$ 1
Total Jail Fund	\$ 264,505	\$ 243,209	\$ 21,296
<u>LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND</u>			
<u>General Government</u>			
Office of Sheriff:			
Materials and Supplies	\$ 1,510	\$ 1,510	\$
Office of County Coroner:			
Salaries-			
County Coroner	5,280	5,280	
Deputy Coroner	2,000	1,769	231
Materials and Supplies	1,000		1,000
<u>Protection to Persons and Property</u>			
Economic Development Authority:			
Secretary Salary	13,000	9,075	3,925
Contribution	10,000	10,000	
Rescue Squad:			
Services	5,000	5,000	
Disaster Emergency Services:			
Reimbursements	9,000	13,376	(4,376)
<u>Social Services</u>			
Public Advocacy Program:			
Contribution	1,728	1,635	93

MAGOFFIN COUNTY  
 COMPARATIVE SCHEDULE OF  
 FINAL BUDGET AND BUDGETED EXPENDITURES  
 Fiscal Year Ended June 30, 1999

	Final Budget	Budgeted Expenditures	Under (Over) Budget
LOCAL GOVERNMENT ECONOMIC <u>ASSISTANCE FUND</u> (Continued)			
<u>Social Services</u> (Continued)			
Office of Dog Warden:			
Dog Warden Salary	\$ 1,000	\$ 1,000	\$
Services	6,700	6,595	105
Dog Tags Fees	500	68	432
Health Department:			
Aide Salary	2,760	2,640	120
Cemeteries and Memorials:			
Pauper Burials	2,700	2,145	555
Services to Indigents:			
Autopsies	584	584	
Services	5,900	5,956	(56)
Senior Citizens Program:			
Contribution	20,000	18,875	1,125
CAP Program:			
Utilities	1,731	1,215	516
<u>Recreation and Culture</u>			
Ramey Memorial Park:			
Contribution	65,450	70,000	(4,550)
Community Center:			
Community Center Director-			
Salaries	16,000	16,000	
Materials and Supplies	2,775	2,331	444
Vending Machine Supplies	600		600
Equipment	750		750
Improvements	15,711	15,830	(119)
Maintenance	2,065	2,385	(320)
Utilities	6,836	6,968	(132)



MAGOFFIN COUNTY  
COMPARATIVE SCHEDULE OF  
FINAL BUDGET AND BUDGETED EXPENDITURES  
Fiscal Year Ended June 30, 1999

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND (Continued)</u>			
<u>Roads</u>			
Road Maintenance:			
General Construction Materials	\$ 67,958	\$ 42,256	\$ 25,702
<u>Administration</u>			
General Services:			
Retirement Cash Surrender	4,135	1,877	2,258
Bank Charges	645	645	
Fringe Benefits:			
County Contributions-			
Retirement	1,683	1,959	(276)
Social Security	7,238	8,086	(848)
Health Insurance	656	1,538	(882)
Worker's Compensation	1,200		1,200
Unemployment Insurance	2,350		2,350
Total Local Government Economic Assistance Fund	<u>\$ 286,445</u>	<u>\$ 256,598</u>	<u>\$ 29,847</u>

SANITATION FUND

General Government

Operating Expenses:			
Salaries-			
Sanitation Officer	\$ 15,080	\$ 13,351	\$ 1,729
Truck Drivers	170,000	154,340	15,660
Solid Waste Project	27,500		27,500
Diesel and Fuel	12,000		12,000
Office Supplies	500	693	(193)
Materials and Supplies	1,000	1,204	(204)
Postage	4,000	3,382	618
Utilities	500	419	81
Maintenance and Repairs	10,000	32,890	(22,890)

MAGOFFIN COUNTY  
 COMPARATIVE SCHEDULE OF  
 FINAL BUDGET AND BUDGETED EXPENDITURES  
 Fiscal Year Ended June 30, 1999

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>SANITATION FUND (Continued)</u>			
<u>General Government (Continued)</u>			
Operating Expenses: (Continued)			
Land Improvement	\$ 37,500	\$ 27,200	\$ 10,300
Solid Waste Dumping Fee	170,000	229,359	(59,359)
Ground Water Monitoring	10,000	3,550	6,450
Contracted Services		2,300	(2,300)
Computer Billing System	4,800	1,617	3,183
Drug Screening	500		500
Equipment	4,000		4,000
Transfer Station Equipment	18,000	15,962	2,038
Transfer Station Construction	73,000	164,648	(91,648)
Reserve Landfill Closure	10,000		10,000
Recycling Center:			
Construction	75,000		75,000
Labor	14,560	24,863	(10,303)
Lease	900		900
Rentals	3,150	2,700	450
Contract Services	1,400	1,400	
Equipment	54,200	3,845	50,355
Utilities	2,700	4,291	(1,591)
<u>Debt Service</u>			
KIA - Loan:			
Interest	27,050		27,050
<u>Administration</u>			
General Services:			
Bank Charges		411	(411)
Insurance	7,500		7,500
Retirement Cash Surrender		6,014	(6,014)
Contingent Appropriations:			
Reserve for Budget Transfers	6,664		6,664

MAGOFFIN COUNTY  
COMPARATIVE SCHEDULE OF  
FINAL BUDGET AND BUDGETED EXPENDITURES  
Fiscal Year Ended June 30, 1999

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>SANITATION FUND (Continued)</u>			
<u>Administration (Continued)</u>			
Fringe Benefits:			
County Contributions-			
Retirement	\$ 6,500	\$ 5,588	\$ 912
Social Security	15,275	14,730	545
Health Insurance		13,825	(13,825)
Worker's Compensation	25,148		25,148
Unemployment Insurance	8,500		8,500
Total Sanitation Fund	\$ 816,927	\$ 728,582	\$ 88,345
<u>911 FUND</u>			
<u>Protection to Persons and Property</u>			
911 Emergency Dispatch:			
Salaries-			
Supervisor	\$ 3,000	\$ 3,000	\$
Dispatchers	67,600	70,116	(2,516)
Contract Mapping and Setup	19,357	17,047	2,310
Database Maintenance	4,000	1,944	2,056
Materials and Supplies	1,000	507	493
Equipment Maintenance	5,000	3,097	1,903
Equipment and Training	10,000	1,208	8,792
Utilities	6,000	6,795	(795)
<u>Administration</u>			
General Services:			
Retirement Cash Surrender	2,148	2,148	
Bank Charges		144	(144)
Community Block Development Grant Contingency	8,030		8,030
Contingent Appropriations:			
Reserve for Budget Transfers	21,024		21,024

MAGOFFIN COUNTY  
COMPARATIVE SCHEDULE OF  
FINAL BUDGET AND BUDGETED EXPENDITURES  
Fiscal Year Ended June 30, 1999

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>911 FUND (Continued)</u>			
<u>Administration (Continued)</u>			
Fringe Benefits:			
County Contributions-			
Retirement	\$ 3,261	\$ 2,075	\$ 1,186
Social Security	7,676	6,841	835
Health Insurance	7,710	6,403	1,307
Worker's Compensation	3,000		3,000
Unemployment Insurance	8,027		8,027
Total 911 Fund	\$ 176,833	\$ 121,325	\$ 55,508
<u>FORESTRY FUND</u>			
Forest Fire Services:			
Fire Protection	\$ 3,140	\$ 3,140	\$ 0
<u>COMMUNITY CENTER SINKING FUND</u>			
Debt Service:			
Farmers Home Administration Loan- Interest and Total Operating Budget	\$ 7,300	\$ 6,916	\$ 384
Other Financing Uses:			
Farmers Home Administration Loan- Principal	2,300	2,300	
Total Community Center Sinking Fund	\$ 9,600	\$ 9,216	\$ 384
<u>SALYERSVILLE NATIONAL BANK RENOVATION PROJECT FUND</u>			
Capital Projects:			
Architect and Engineering	\$ 30,000	\$ 15,907	\$ 14,093
Renovation	562,182	187,200	374,982
Debt Service:			
Interest		2,261	(2,261)

MAGOFFIN COUNTY  
COMPARATIVE SCHEDULE OF  
FINAL BUDGET AND BUDGETED EXPENDITURES  
Fiscal Year Ended June 30, 1999

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>SALYERSVILLE NATIONAL BANK</u>			
<u>RENOVATION PROJECT FUND (Continued)</u>			
Administration:			
Bank Charges	\$	\$ 18	\$ (18)
Total Operating Budget	\$ 592,182	\$ 205,386	\$ 386,796
Other Financing Uses:			
Borrowed Money:			
Principal		123,756	(123,756)
Total Sayersville National Bank Renovation Project Fund	\$ 592,182	\$ 329,142	\$ 263,040
<u>APPALACHIAN REGIONAL COMMISSION</u>			
<u>SOLID WASTE PROJECT FUND</u>			
<u>Social Services</u>			
Solid Waste Project:			
Inspections	\$ 17,500	\$ 17,500	\$
Construction	144,790	155,271	(10,481)
Equipment	90,450	64,355	26,095
<u>Administration</u>			
General Services:			
Bank Charges		183	(183)
Total Appalachian Regional Commission- Solid Waste Project Fund	\$ 252,740	\$ 237,309	\$ 15,431
<u>WALKBRIDGE PROJECT FUND</u>			
Total Walkbridge Fund	\$ 50,000	\$ 0	50,000
Total Operating Budget - All Funds	\$ 4,748,535	\$ 3,811,745	\$ 936,790

MAGOFFIN COUNTY  
 COMPARATIVE SCHEDULE OF  
 FINAL BUDGET AND BUDGETED EXPENDITURES  
 Fiscal Year Ended June 30, 1999

	Final Budget	Budgeted Expenditures	Under (Over) Budget
Other Financing Uses:			
Bonds:			
Principal	\$ 22,935	\$ 22,934	\$ 1
Borrowed Money:			
Principal		123,756	(123,756)
Farmers Home Administration Loan-			
Principal	2,300	2,300	
TOTAL BUDGET - ALL FUNDS	<u>\$ 4,773,770</u>	<u>\$ 3,960,735</u>	<u>\$ 813,035</u>

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS







Edward B. Hatchett, Jr.  
Auditor of Public Accounts

Honorable Paul Salyer, Magoffin County Judge/Executive  
Honorable Charles Hardin, Former Magoffin County Judge/Executive  
Members of the Magoffin County Fiscal Court

Report On Compliance And On Internal Control  
Over Financial Reporting Based On An Audit Of Financial  
Statements Performed In Accordance With Government Auditing Standards

We have audited the financial statements of Magoffin County, Kentucky, as of and for the year ended June 30, 1999, and have issued our report thereon dated March 8, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Magoffin County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under Government Auditing Standards which are described in the accompanying schedule of findings and questioned costs.

- The County Should Require The Depository Institution To Pledge Or Provide Sufficient Collateral And Enter Into A Written Agreement To Protect Deposits
- The Fiscal Court Should Pay All Bills In A Timely Manner
- The County Treasurer Should Publish An Annual Settlement And Present It To Fiscal Court In A Timely Manner
- The Fiscal Court Should Collect Amount Due The County As Determined By Audit

Honorable Paul Salyer, Magoffin County Judge/Executive  
Honorable Charles Hardin, Former Magoffin County Judge/Executive  
Members of the Magoffin County Fiscal Court  
Report On Compliance And On Internal Control  
Over Financial Reporting Based On An Audit Of Financial  
Statements Performed In Accordance With Government Auditing Standards  
(Continued)

#### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Magoffin County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Magoffin County's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs.

- The County Should Require The Depository Institution To Pledge Or Provide Sufficient Collateral And Enter Into A Written Agreement To Protect Deposits
- The Fiscal Court Should Pay All Bills In A Timely Manner
- The County Treasurer Should Publish An Annual Settlement And Present It To Fiscal Court In A Timely Manner
- The Fiscal Court Should Collect Amount Due The County As Determined By Audit

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness.

This report is intended solely for the information and use of management and is not intended to be should not be used by anyone other than the specified party. However, this report, upon release by the Auditor of Public Accounts, is a matter of public record and its distribution is not limited.

Respectfully submitted,



Edward B. Hatchett, Jr.  
Auditor of Public Accounts

Audit fieldwork completed -  
March 8, 2000

REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL  
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133





Edward B. Hatchett, Jr.  
Auditor of Public Accounts

Honorable Paul Salyer, Magoffin County Judge/Executive  
Honorable Charles Hardin, Former Magoffin County Judge/Executive  
Members of the Magoffin County Fiscal Court

Report On Compliance With Requirements Applicable To Each Major Program  
And Internal Control Over Compliance In Accordance With OMB Circular A-133

Compliance

We have audited the compliance of Magoffin County, Kentucky, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 1999. Magoffin County's major federal programs are identified in the schedule of expenditures of federal awards. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Magoffin County's management. Our responsibility is to express an opinion on Magoffin County's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Magoffin County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Magoffin County's compliance with those requirements.

In our opinion, Magoffin County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1999.

Honorable Paul Salyer, Magoffin County Judge/Executive  
Honorable Charles Hardin, Former Magoffin County Judge/Executive  
Members of the Magoffin County Fiscal Court  
Report On Compliance With Requirements Applicable To Each Major Program  
And Internal Control Over Compliance In Accordance With OMB Circular A-133  
(Continued)

Internal Control Over Compliance

The management of Magoffin County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Magoffin County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than the specified parties. However, this report, upon release by the Auditor of Public Accounts, is a matter of public record and its distribution is not limited.

Respectfully submitted,



Edward B. Hatchett, Jr.  
Auditor of Public Accounts

Audit fieldwork completed –  
March 8, 2000

SCHEDULE OF FINDINGS AND QUESTIONED COSTS





MAGOFFIN COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Fiscal Year Ended June 30, 1999

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of Magoffin County.
2. Four reportable conditions disclosed during the audit of the financial statements are reported in the Independent Auditor's Report. No instances of noncompliance material to the financial statements of Magoffin County were disclosed during the audit.
3. One reportable condition disclosed during the audit of the major federal awards programs is reported in the Independent Auditor's Report. The condition is not reported as a material weakness.
4. The auditor's report on compliance for the audit of the major federal award programs for Magoffin County expresses an unqualified opinion.
5. Audit findings relative to the major federal awards programs for Magoffin County are reported in Part C of this schedule.
6. The programs tested as major programs included: Appalachian Regional Commission - Solid Waste Project CFDA # 23.002 and Community Block Development Grant - 911 Project CFDA #20.205
7. The threshold for distinguishing Type A and B programs was \$219,821
8. Magoffin County was not determined to be a low-risk auditee.

B. FINDINGS – FINANCIAL STATEMENTS AUDIT

REPORTABLE CONDITIONS

- 1) The County Should Require The Depository Institution To Pledge Or Provide Sufficient Collateral And Enter Into A Written Agreement To Protect Deposits

On July 30, 1998, \$421,925 of the county's deposits of public funds were uninsured and unsecured. According to KRS 66.480(1)(d) and KRS 41.240(4), financial institutions maintaining deposits of public funds are required to pledge securities or provide surety bonds as collateral to secure these deposits if the amounts on deposit exceed the \$100,000 amount of insurance coverage provided by the Federal Deposit Insurance Corporation (FDIC). The county should require the depository institution to pledge or provide collateral in an amount sufficient to secure deposits of public funds at all times. We also recommend the county enter into a written agreement with the depository institution to secure the county's interest in the collateral pledged or provided by the depository institution. According to federal law, 12 U.S.C.A. § 1823(e), this agreement, in order to be recognized as valid by the FDIC, should be (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution.

*The County Judge's response:*

*It is their understanding that this is being taken of.*

MAGOFFIN COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Fiscal Year Ended June 30, 1999  
(Continued)

2) The Fiscal Court Should Pay All Bills In A Timely Manner

The fiscal court should pay for purchases within 30 days as required by KRS 65.140 (2) which states unless the purchaser and vendor otherwise contract, all bills for goods or services shall be paid within thirty (30) working days of receipt of a vendor's invoice. The exceptions are when payment is delayed because the purchaser has made a written disapproval of improper performance, or improper invoicing by the vendor, or by the vendor's subcontractor.

For the fiscal year ended June 30, 1999, the fiscal court was a member of the Kentucky Association of Counties' All Lines Insurance Fund (KALF). KALF is a self-insurance fund and was organized to obtain lower cost coverage for general liability, property damage, public officials' errors and omissions, workers compensation, public liability, and other damages. For this fiscal year, the fiscal court did not pay their entire premium and owes a balance of \$271,507. This balance represents an unpaid liability from each fund in the following amounts: General Fund - \$115,127, Road and Bridge Fund - \$105,701, Jail Fund - \$674, Local Government Economic Development Fund - \$2,007, Sanitation Fund - \$46,055, and 911 Fund - \$1,943. In addition, as of June 30, 1999, the Jail Fund owed \$49,412 to the Big Sandy Regional Detention Center for housing prisoners. We recommend that the fiscal court pay their bills in a more timely manner as required by the state.

*The County Judge's response:*

*All prior year claims are paid with the exception of \$100,000 due to KACo.*

3) The County Treasurer Should Publish An Annual Settlement And Present It To Fiscal Court In A Timely Manner

The County Treasurer did not publish the annual settlement as required by KRS 424.220 (6) which states the County Treasurer is required to prepare an annual settlement and publish it within sixty (60) days after the close of the fiscal year. Also, the County Treasurer did not present the annual settlement to the fiscal court within thirty (30) days as required by KRS 68.020 which states the County Treasurer shall make a full and complete settlement with the fiscal court within thirty days after the close of each year.

Also, the County Treasurer did not receipt all money. The SNB Renovation Project Fund had receipts of \$126,016.85 of ISTEAs grant money, which were not recorded on their 4<sup>th</sup> Quarter Financial Statement nor was the money deposited. This amount was deducted from a gross deposit and used to directly pay on a line of credit at the Salyersville National Bank. This disbursement also was not recorded on the County Treasurer's records. Money borrowed from SNB on a line of credit, which was previously mentioned, included an advancement of \$90,000, which was used to purchase a wire transfer to pay a vendor. This money should have been deposited into the SNB Renovation Project Fund and a check written to pay the vendor. Auditors adjusted the receipts and disbursements to account for these transactions. We recommend compliance with these statutes in the future.

*The County Judge's response:*

*They are doing things properly now. Treasurer's settlement was presented but not within sixty days.*

MAGOFFIN COUNTY  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 Fiscal Year Ended June 30, 1999  
 (Continued)

4) The Fiscal Court Should Collect Amount Due The County As Determined By Audit

The fiscal court should collect any amount due the county from county officials as determined by the audit of the official as required by KRS 64.820 (1). In the event that the fiscal court cannot collect the amount due the county from the county official without suit, the fiscal court shall then direct the county attorney to institute suit for the collection of the amount reported by the auditor to be due the county within ninety (90) days from the date of receiving the auditor's report per KRS 64.820 (2). The Former County Treasurer's annual salary was overpaid by \$12,410 for fiscal year ended June 30, 1993. This salary was supposedly taken for the time spent as the Area Coordinator of a federal flood grant received by the Magoffin County Fiscal Court. The Former County Treasurer had already been paid approximately this amount during the fiscal year ending June 30, 1992, for coordinating the same flood grant. Grant requirements allowed \$12,700 for administrative expenses to be paid on a one-time basis only. We recommend the fiscal court take the appropriate action necessary in order to collect the \$12,410 from the former County Treasurer.

*The County Judge's response:*

*No comment.*

PRIOR YEAR FINDINGS

- 1) The County Should Require The Depository Institution To Pledge Or Provide Sufficient Collateral And Enter Into A Written Agreement To Protect Deposits
- 2) The Fiscal Court Should Pay All Bills In A Timely Manner
- 3) The County Treasurer Should Publish An Annual Settlement And Present It To The Fiscal Court In A Timely Manner
- 4) The Fiscal Court Should Collect Amount Due The County As Determined By Audit

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARDS PROGRAM  
 AUDIT

None

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS



MAGOFFIN COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Fiscal Year Ended June 30, 1999

Federal Grantor Program Title <u>Grant Name (CFDA #)</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures</u>
<u>Cash Programs</u>		
<u>U.S. Department of Housing and Urban Development</u>		
Passed-Through State Department of Local Government: Community Development Block Grants - 911 Fund (CFDA #14.228)		\$ 94,063
<u>U.S. Appalachian Regional Commission</u>		
Passed-Through State Department of Local Government: Appalachian Regional Commission Grants - Solid Waste Project (CFDA #23.002)	KY1223595I214063	237,064
<u>U.S. Department of Transportation</u>		
Passed-Through State Transportation Department: Interstate Transportation Enhancement Authority Salyersville National Bank - Renovation Project  (CFDA #20.205)	097283-000-0	178,844
<u>U.S. Federal Emergency Management Agency</u>		
Passed-Through State Department of Military Affairs: Disaster and Emergency Assistance Grants- Coordinator Salary (CFDA #83.503)		6,688
Total Cash Expenditures of Federal Awards		<u>\$ 516,659</u>

MAGOFFIN COUNTY  
NOTES TO THE SCHEDULE OF  
EXPENDITURES OF FEDERAL AWARDS

Fiscal Year Ended June 30, 1999

Note 1 - Basis of Presentation

This schedule is presented on a cash basis.

Note 2 - As required by this grant agreement, all program moneys received by the recipient after the completion of all recipient grant activities shall be used by the recipient for community or economic development activities eligible for assistance under Title I of the Housing and Community Development Act of 1974, so specified in the Commonwealth of Kentucky's Community Development Block Grant Eligible Activities Policy Statement.



**CERTIFICATION OF COMPLIANCE – LOCAL  
GOVERNMENT ECONOMIC ASSISTANCE PROGRAM**

**MAGOFFIN COUNTY FISCAL COURT**

**Fiscal Year Ended June 30, 1999**

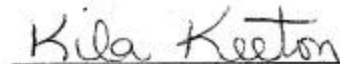


CERTIFICATION OF COMPLIANCE  
LOCAL GOVERNMENT ECONOMIC ASSISTANCE PROGRAM  
MAGOFFIN COUNTY FISCAL COURT

June 30, 1999

The Magoffin County Fiscal Court hereby certifies that assistance received from the Local Government Economic Assistance Program was expended for the purpose intended as dictated by the applicable Kentucky Revised Statutes.

  
\_\_\_\_\_  
Name  
County Judge/Executive

  
\_\_\_\_\_  
Name  
County Treasurer